

Jobs Bill: VT Agency of Agriculture Sections Overview

The following report includes outcomes on each Section of Act 52 under the purview of the Vermont Agency of Agriculture, Food, and Markets (VAAFAM). Note this document only includes sections of the Jobs Bill administered by VAAFAM.

Sec. 34. Meat Processing Infrastructure Development Grant (\$50,000)

VAAFAM was directed to “provide matching grants for capital investments that will result in increased capacity at meat and poultry slaughter and processing facilities in Vermont.” VAAFAM restricted eligibility to those business that are: primarily involved in the processing of meat or poultry products; providing services to more than five farm businesses; located (preferably headquartered) in Vermont; and licensed for either commercial or custom use. Applicants were required to demonstrate matching funds equaling at least 50% of total project costs.

Five applications were received, summarized as follows:

- Total funding requests = Approximately \$200,000
- Match funding demonstrated = Over \$2 million
- Grand total of proposed project costs = \$2,244,034
- Additional new jobs = Estimated 22-26 FTE
- Additional animals processed per year = Conservative estimate of 2,000

Two applicants were awarded partial funding (see Appendix B for scoring criteria).

- Royal Butcher, Braintree - \$35,000 for redesign of process flow (rail system), expansion of processing space, and increase in cooler capacity. Total project cost estimated at \$81,730. When complete, project will result in an estimated 40% increase in slaughter and processing capacity, and the creation of 4 new full-time jobs.
- Westminster Meats, Westminster - \$15,000 to go towards the complete installation of hot water pasteurization system. Total project cost estimated at \$98,826. Once the system is fully online, the plant will process an estimated 50% more beef and 30% more hogs per year, and could bring on as many as 14 new employees.

This grant program has been very effective at incentivizing plant expansion, and when the projects are complete, every dollar in public funding will have leveraged \$2.60 in direct private sector investment. Because the debt load is already quite high in most of the state’s slaughter facilities, loans are not a feasible tool for expanding these operations. Funding through grants, foundations, and other non-traditional investors, will be the key to increased capacity. Moving forward, a coordinated Infrastructure Development Program that marries both grant funding and technical assistance for investment readiness is crucial.

Sec. 39. Large Animal Vet Loan Repayment Program (\$30,000)

Funding will be used to help ensure a stable adequate supply of food animal veterinarians across Vermont. The Agency of Agriculture, Food and Markets, through the office of the state veterinarian, is working closely with the Vermont Veterinary Medical Association (VVMA) to develop a sustainable food animal veterinary loan repayment program that will allow for the effective dispersal of the \$30,000 allocated in FY 2012 and any additional funding that is designated for this purpose in future years. As the state organization that represents over 85% of the practicing veterinarians in Vermont, the VVMA is a key stakeholder in the development of this type of a program, and their input will be critical to the process. The VVMA has committed to developing a Food Animal Veterinary Task Force no later than March 15, 2012 to focus on this important issue. Maintenance of a sustainable number of food animal veterinarians in Vermont is necessary for the protection of livestock and human health and welfare, and it is critical to the protection of Vermont’s local food supply.

Sec. 40. Good Agricultural Practices (GAP) Grant Program (\$100,000)

6 V.S.A. § 4602 was added to read, “A good agricultural practices grant program (GAP) is established in the agency of agriculture, food and markets for the purpose of providing matching grant funds to agricultural producers whose markets require them to obtain or maintain GAP certification. (b) The secretary may award matching grants for capital upgrades that will support Vermont agricultural producers in obtaining GAP certification. The amount of matching funds required by an applicant for a GAP certification grant shall be determined by the secretary. (c) An applicant may receive no more than 10 percent of the total funds appropriated for the program in a fiscal year.”

Current GAP-certified producers and those who are looking towards GAP certification are eligible. Applicants were required to demonstrate matching funds equaling at least 50% of total project costs. Grants were capped at \$10,000 per farm. Five applications were funded in the first round, with a total of \$48,000 disbursed. Seven applicants are unofficially awarded in the second round, with a total of \$52,000 available. A summary of applicants follows (both Rounds 1 and 2):

- Total funding requests = \$131,395
- Match funding demonstrated = Over \$519,000
- Grand total of proposed project costs = \$698,489
- As many as 42 jobs maintained and 22 additional on 12 farms

List of Grantees:

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|-------------------------------------|---------------------------|
| • Champlain Orchards, Shoreham | \$10,000 |
| • Holton Farms Produce, Westminster | \$10,000 |
| • Cabot Smith Farm, Cabot | \$10,000 |
| • Pete’s Greens, Craftsbury | \$10,000 |
| • High Meadows Farm, Putney | \$10,000 |
| • Arethusa Farm, Burlington | \$2,680 (pending permits) |
| • Deep Meadow Produce, Ascutney | \$9,130 |
| • Foote Brook Farm, West Johnson | \$7,985 |
| • Harlow Farm, Westminster | \$9,880 |
| • Lewis Creek Farm, Starksboro | \$9,400 |
| • Scott Farm, Dummerston | \$2,925 |
| • Valley Dream Farm, Cambridge | \$10,000 |

This grant program played a vital role in maintaining mid-scale markets for Vermont producers. As the fruit and vegetable industry is increasingly looking to VAAFAM for support in developing a produce safety program, these grants incentivized projects that maintain and increase market access, promote food safety and ensure the integrity of the Vermont brand. It will be very important to monitor the regulations FDA promulgates under the Food Safety Modernization Act in January 2012. These new rules could have big impacts on Vermont farms, and continued support is likely to be needed.

Should this grant program be continued into future rounds, VAAFAM may consider changing the structure of the program by developing a list of approved food safety practices that address critical control points in the food safety chain, and offering cost-share grants at a fixed rate per practice (similar to the Farm Agronomic Practices program). Moving forward, continuing the coordinated approach that marries both grant funding and technical assistance for investment readiness is crucial. Our partnership with UVM Extension was the key to this program’s success.

Sec. 41. Skilled Meat Cutter Training (\$25,000)

6 V.S.A. § 3319 was added to read: “Skilled meat cutter training. The secretary shall issue a request for proposals to develop a curriculum and provide classroom and on-the-job training for the occupation of skilled meat cutter.”

Out of 5 applicants, Hannaford Career Center (\$16,500 grant) and Vermont Technical College (\$6,000 grant) were selected to partner with VAAFM, the Department of Labor, and the Advisory Board (composed of industry representatives), to develop the skilled meat cutter training program. The Program Development Team had its first meeting on January 10th, during which we developed goals for the program and discussed next steps. By June 30, 2012, we expect the following deliverables from the grantees:

1. Training program framework (could follow the framework of a Registered Apprenticeship)
2. Curriculum for classroom (i.e. related instruction) component of training program, and demonstration of statewide enrollment capability (e.g. online learning, low-residency, etc.)
3. Courses offered at Hannaford Career Center and Vermont Technical College anticipate training approximately 15 skilled meat cutters annually
4. Anticipate trained workforce with average starting wage \$14-15; up to \$22-25
5. Business model for financially feasible implementation of the proposed program
6. Other recommendations for successful implementation

Sec. 42. Local Foods Coordinator & Grant Program

Creates one new local foods coordinator position in VAAFM; coordinator will facilitate matchmaking producers with commercial and institutional markets: Local Foods Administrator (\$125,000 including up to \$50,000 for local foods grant program)

- Position was filled by Abbey Willard on November 7, 2011. Initial jobs creation: 1; potential job creation: Many
- Currently working with BGS and VT Department of Human Resources Wellness Program on increasing access to local foods within state building complexes and by VT state employees through workplace CSA pick-ups.
- Developing Local Food Market Development grant program. Applications due by 2/29/12; review committee select recipients by 3/31/12, and obligate funds to producers by 6/30/12.
- Small matching grants up to \$5,000 provided directly to producers or to food hubs groups - that will disseminate resources directly to agricultural producers - will allow producers to increase access to commercial and institutional markets thus resulting in increased sale and additional job creation.
- Partnership with VSJF, local Food Hub groups, and private sector regarding ecommerce, networking & communication, and data management technology options that will best meet the marketing needs of producers, consumers and partners. Goal is to identify appropriate technology role for VAAFM.
- Communication with producers, consumers, distributors, institutions, producer groups, community groups and Agricultural partners to identify scaling up needs, marketing gaps, and most effective role for VAAFM to assist.
- Collaboration with food hubs, creation of the local foods matching grant program, and development of a workplace CSA program will increase agricultural industry job creations. Estimate 0.5 FTE job creation or existing employee retention per farm participating in workplace CSA drop off at state buildings. Program is too young for more detailed analysis.

Sec. 43. Farm-to-Plate Investment Program Implementation (\$100,000)

VAAFM works consistently with the VT Sustainable Jobs fund to support coordination and execution of the Farm to Plate Strategic Plan. Grant funds were distributed in summer 2011. The contract included outcomes-based performance measurements.

- 500 new agriculture and farm jobs and 110 new food based establishments were created, reaching 1/3 of the target goal of 1500 jobs created in the 10 year plan *these statistics are noted in Farm to Plate Investment Program 18 month Report;
- Farm to Plate Director hired (Erica Campbell) and Jobs Bill supporting VSJF staff to be the Farm to Plate Network Coordinators;
- The Farm to Plate Strategic Plan document is 90% complete with the 75 page Dairy Appendix to be released soon and 7 other sections to be released by the end of the 3rd Quarter;
- Farm to Plate Network launched and Working Groups have been formed and are coordinating action around six key leverage areas: 1) consumer education and marketing; 2) education and workforce development; 3) farmland access and land use; 4) aggregation and distribution; 5) dairy development; 6) technical assistance to producers and processors
- \$10,000 for each of the 6 Working Group Chairs (\$60,000 total) has been raised to support their leadership on their Working Groups (leveraged the state grant);
- \$100,000 raised for general Farm to Plate Network support from Green Mountain Coffee Roasters (leveraged state grant);
- The VT Food System Atlas project has raised \$120,000 with version 1.0 targeted to be "live" by the end of calendar year 2012 (leveraged state grant).

Sec. 100. Appropriations and Allocations:

(E) \$75,000.00 for competitive matching grants for the farm-to-school program established in 6 V.S.A. § 4721.

VAAFM has expended \$43,500 of the \$75,000 for Farm to School during Round 1.

- Three schools were awarded implementation grants which cap at \$15,000.
 - Stockbridge Central School,
 - The Dorset School,
 - Weatherfield & Albert Bridge School
- Two schools received planning grants which cap at \$1,500.
 - Brookfield Elementary,
 - Middletown Springs Elementary
- One part-time position is being created from this funding.
- Round 2 timeline TBD.

The continued funding of this program leveraged further funding from a CDC Community Transformation grant, secured by the Department of Health: \$35,000 each year for the next 5 years; \$15,000 will be allocated for grants; the remaining funds is designated for technical assistance. The remaining 2012 grant funds along with an additional \$15,000 from the VDH grant will be expended in a second grant round to be held in early spring of 2012.

Recommendations for future actions in light of performance relative to the intended outcomes for each program or policy change:

VAAFM recognizes continued unmet demand, and opportunity, for business development and job growth relevant to each section above, supporting further leveraged investment based on performance measurements and outcomes.